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SECURITY INFORMATION

Mr. Dulles, NSC Briefing
Wednesday, 18 March 1953

TRIESTE RIOTS

Italian extremists in Trieste, mainly the neo-fascists, with pro-Cominform Communists acting as provocateurs, plan serious disorders beginning Friday of this week which may challenge the authority and control of the Allied Military Government as well as place additional strain on Italo-Yugoslav relations.

BURMA

The recent flare-up in Burma over the Chinese Nationalist forces of Li Mi has not subsided and the situation remains potentially a very damaging one for the United States position in Southeast Asia. There are indications that Chinese Nationalist leaders are currently less inclined to cooperate with American foreign policy objectives.

INDOCHINA

Current information indicates that Viet Minh are making preparations in northwest Tonkin for a new campaign to penetrate northern Laos. Secondary pressure at the same time may be exerted on the Delta, including infiltration preparatory to attempting to seize a portion of the spring rice harvests.

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TRIESTE RIOTS

1. There are reports that elements of some center parties favor overt action and that Rome plans to incite riots in order to justify the movement of Italian troops into the area.
 2. Our Political Adviser in Trieste ^{-HIGGS-} sees no course of action which could entirely avert rioting.
 3. In view of the questionable reliability of the police force, the Zone Commander may be required to employ American and British troops (approx. 10,000) to restore order, although he is aware that this would arouse adverse public opinion throughout Italy.
 4. The Italians are worried and upset about Tito's visit to England, which they regard as further indication that Yugoslavia is being favored by the West.
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20 March, Friday, is the anniversary of the 1948 declaration by ourselves, Great Britain and France which advocated the return of the entire Free Territory to Italy. Last year, mass meetings by the Trieste center parties, with the unofficial encouragement of the Italian Government, developed into extremist riots against American and British authorities. An official Italian protest resulted when British-controlled police attempted to subdue the extremists. Premier de Gasperi claims he has warned his followers in Trieste against public disturbances. If the demonstrations receive widespread support, the Italian Government would probably not act to suppress them for fear of weakening its position in the coming elections. It would probably also demand publicly that the 1948 Tripartite Declaration be implemented and officially demand an even further extension of Italian authority in Trieste. Rome may also request the Allies to pressure Tito for a satisfactory solution.

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~~NATIONALIST GOVERNMENT~~

Burma

1. Nationalist refusal to accede to U. S. requests regarding Nationalist forces in Burma:
 - a. Failure to order Nationalist forces to leave Burma;
 - b. Failure to agree in principle to a withdrawal in spite of possibility Burma will bring the problem to the UN;
 - c. Hospitalization of Li Mi, commander of Nationalist forces in Burma.
2. Authoritarian trend in Nationalist Government:
 - a. Resignation of Formosa Governor K. C. Wu, unusually able official and symbol of democratic forces, who feels that he is losing fight to authoritarian elements;
 - b. Steady increase in the power of Generalissimo's son, the Soviet-trained and anti-American Chiang Ching-kuo;
 - c. New Kuomintang controls over Cabinet and legislators, increased censorship of press.

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